
Department of Higher Education

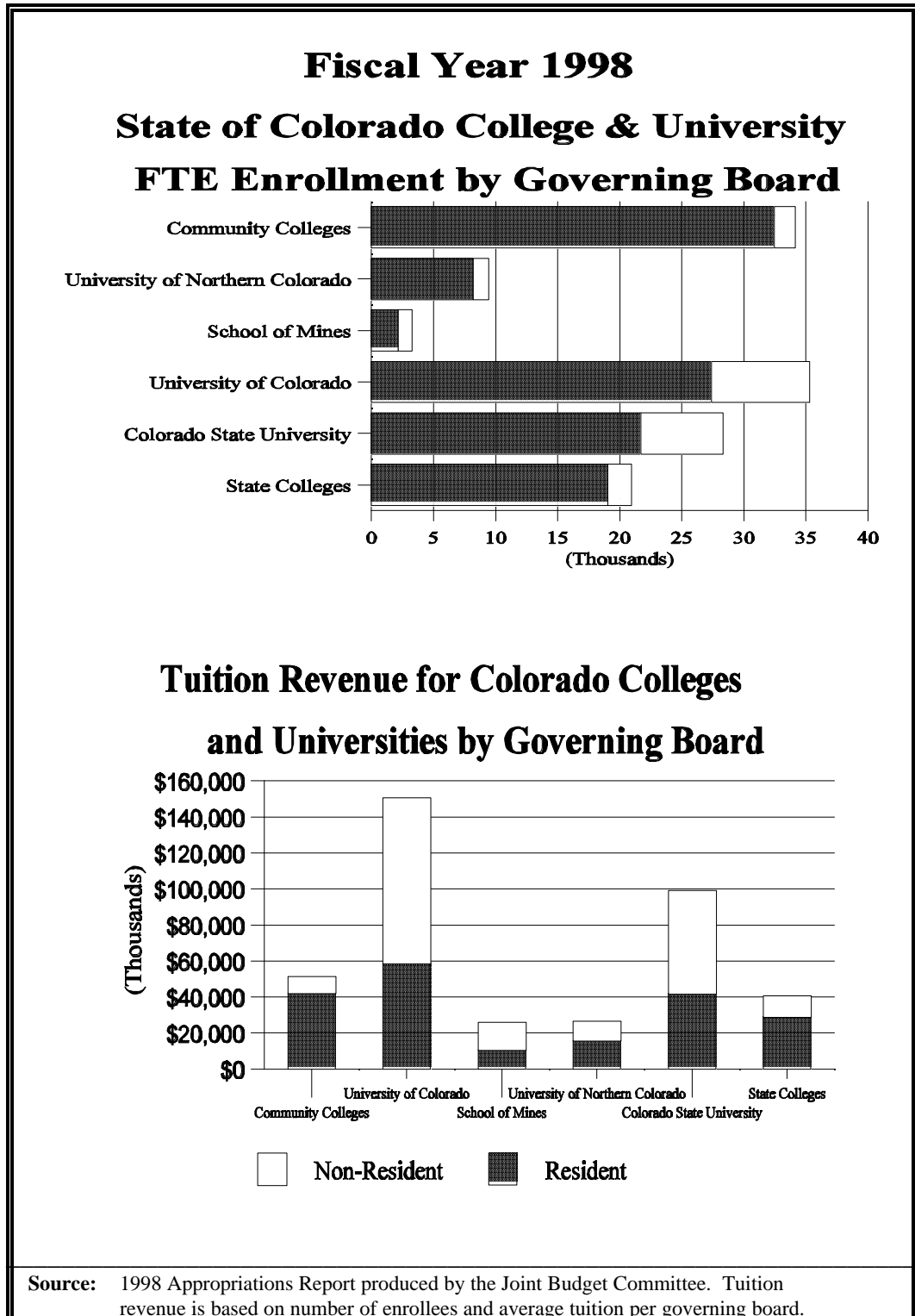
Introduction

The Department of Higher Education was established under Section 21-1-114, C.R.S., and includes all public higher education institutions in the State. It also includes the Auraria Higher Education Center, the Colorado Advanced Technology Institute, the Colorado Commission on Higher Education, the Colorado Council on the Arts, the Colorado Student Loan Division, the Colorado Historical Society, and the Division of Private Occupational Schools.

The State has 25 public institutions of higher education that are governed by six different boards. The governing boards and the schools they oversee are:

- **Board of Regents of the University of Colorado**
 - University of Colorado at Boulder
 - University of Colorado at Colorado Springs
 - University of Colorado at Denver
 - Health Sciences Center
- **State Board of Agriculture - Colorado State University System**
 - Colorado State University
 - Fort Lewis College
 - University of Southern Colorado
- **Trustees of the State Colleges of Colorado**
 - Adams State College
 - Mesa State College
 - Metropolitan State College of Denver
 - Western State College
- **State Board for Community Colleges and Occupational Education (SBCCOE)**
 - 13 Community Colleges
- **Trustees of the University of Northern Colorado**
 - University of Northern Colorado
- **Trustees of the Colorado School of Mines**
 - Colorado School of Mines

The following graphs depict comparative data between the governing boards of the State's colleges and universities.



Board of Regents of the University of Colorado

The Board of Regents is constitutionally charged with the general supervision of the University and the exclusive control and direction of all funds of and appropriations to the University, unless otherwise provided by law. The University consists of four campuses: Boulder, Health Sciences Center, Denver, and Colorado Springs, as well as central administrative offices. Within the four campuses, 16 schools and colleges offer more than 140 fields of study at the undergraduate level and 100 fields at the graduate level.

University of Colorado

The University of Colorado was authorized on November 7, 1861, by the Act of the Territorial Government. When Colorado became a state in 1876, the University was declared an institution of the State of Colorado.

The following comment was prepared by the public accounting firm of KPMG LLP, who performed work at the University of Colorado.

Procedures to Calculate Student Financial Aid Refunds at Boulder Should Be Followed and Monitored

The *Federal Student Financial Aid Handbook* (Code of Federal Regulations Title 34, Chapter IV, Section 668.22) states that every school participating in the federal student financial aid program must have a fair and equitable refund policy. Further, the school must compare the federal refund policy refund (which is set forth in the Handbook) with the refund amount under its own institutional refund policy. Then, the school must offer the larger amount calculated by either of these to students who receive Title IV aid and are not first-time students.

Currently, the Student Financial Aid Department at the Boulder campus is only performing a calculation under their institutional policy for all first-time students and not also under the federal policy as required by federal regulations. Thus, Boulder needs to ensure procedures, that include a calculation in accordance with the federal refund policy, are followed and monitored to ensure compliance with federal regulations and minimize the related exposures for noncompliance.

Recommendation No. 2:

The University of Colorado should ensure procedures to calculate student financial aid refunds are in accordance with both the institutional and federal refund policies and are appropriately monitored.

University of Colorado Response:

The University of Colorado at Boulder concurs. The Boulder Campus Bursar's Office has completed a refund calculation for continuing students under the federal refund policy for Fiscal Year 1997-98. Under that calculation, an additional \$1,737 in refund amounts were due to the federal government. To ensure the federal refund policy is considered in the future, the Bursar's Office has revised its refund worksheets to include the federal calculation for all continuing students. The implementation date is October 1998.

State Board of Agriculture

The State Board of Agriculture has control and supervision of three distinct institutions: Colorado State University – a land-grant university; Fort Lewis College – a liberal arts college; and the University of Southern Colorado – a regional university with a polytechnic emphasis. The Board is also responsible for the Colorado State University Agricultural Experiment Station, the Cooperative Extension Service, and the Colorado State Forest Service.

The Board administers the State Board of Agriculture Fund located at the State Treasury. The Board is authorized to fix tuition, pay expenses, and hire officials. The chief academic and administrative officers are the Chancellor of the Colorado State University System and the President of each institution.

Colorado State University System

Colorado State University, Fort Lewis College, and the University of Southern Colorado have been consolidated as a single financial reporting entity – the Colorado State University System (CSUS).

Fort Lewis College

The following comment was prepared by the public accounting firm of Chadwick, Steinkirchner, Davis & Co., who performed the work at Fort Lewis College.

Federal Pell Grant Program (CFDA No. 84.063)

The College awarded and paid eight students Pell Grants, totaling \$13,025, for which it has not received either funds or credit as proper expenditures from the U.S. Department of Education. The problem originated because the students miscoded certain information on their financial aid applications. The College tried to transmit corrected information to the federal system before the final date for adjustments, September 30, 1998. However, the final date was changed to August 15, 1998, and the College was unaware of the change and did not meet the deadline.

Recommendation No. 3:

Fort Lewis College should perform the procedures required by Dear Colleague Letter P-97-2 to have the funds reimbursed. These procedures involve having the College's independent auditor certify, via an attestation procedure, that the students were entitled to the Pell funds awarded and the submission of a Federal Pell Grant Program Increase Award Report by the College for the 97-98 award year.

Fort Lewis College Response:

Agree. The College is in the process of complying with the referenced requirements.

University of Southern Colorado

The following comment was prepared by the public accounting firm of Baird Kurtz & Dobson, who performed work at the University of Southern Colorado.

Improper Pell Award

We tested compliance with Student Financial Aid requirements related to the Pell Program (CFDA 84.063). We selected a sample of 30 students, who received \$83,113, out of 2,117 who received a total of \$3,256,080 in Pell awards. Two students in our sample had an overaward of Pell funds. Both instances related to the amount reported on the Student Aid Report (SAR). SARs are randomly selected for verification by the outside processor. If selected, the University is required to obtain verification of family income reported in the SAR and to correct discrepancies. For two of the students in our sample, discrepancies between the SAR and verified information were not changed. The difference resulted in miscalculation of the students' expected family contribution and ultimately a difference in the Pell award. The total overaward of Pell, which should be reimbursed to the Department of Education for these two students, was \$1,650.

Recommendation No. 4:

The University of Southern Colorado should enhance the review process for Student Aid Report verification to ensure proper entry of changed information in the Student Aid Report.

University of Southern Colorado Response:

Agree. A new financial aid information management system has been installed. The system has built-in edits that should prevent verification-related errors. Student Financial Services will monitor the revised verification process to ensure the appropriate changes are made. The overawards have been repaid to the Pell fund.

Trustees of the University of Northern Colorado

The Board of Trustees is the governing body of the University of Northern Colorado and is composed of seven members appointed by the Governor, with consent of the Senate, for four-year terms; one faculty member elected by the faculty; and one student member elected by the student body.

University of Northern Colorado

The University of Northern Colorado seeks to provide all students with a broad general education as well as preparation for selected professions within the fields of business, education, health sciences, music, and related areas. Historically, a principal emphasis has been preparing students for careers in education.

The following comment was prepared by the public accounting firm of Anderson & Whitney, P.C., who performed work at the University of Northern Colorado.

Refine Refund and Repayment Policies

When a financial aid recipient withdraws from the University, a refund of University charges to the financial aid programs (CFDA Student Financial Aid cluster) or a repayment by the student of funds advanced for living expenses may be required. Refund and repayment methodologies are determined by federal regulation.

The University's refund and repayment policy is inaccurate in that repayment amounts are not related to the amount of living expenses incurred as required, and cash paid by the student towards institutional costs is not appropriately considered in the refund calculation. As a result, five of the sixteen refunds and repayments tested were incorrect by a total of \$1,904.

Recommendation No. 5:

The University of Northern Colorado's refund and repayment policies and calculation worksheets should be revised to properly reflect federal requirements.

University of Northern Colorado Response:

Agree. The refund and repayment process has been revised. (Implemented, September 1998).
